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FISCAL IMPACT STATEMENT

LS 6579

BILL NUMBER: HB 1174

NOTE PREPARED: Jan 28, 2008

BILL AMENDED: Jan 28, 2008

SUBJECT: Military Leave for State Employees.

FIRST AUTHOR: Rep. Duncan

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill increases from 15 days to 30 days in a calendar year the maximum leave of absence without loss of time or pay that a state officer or employee who is a member of: (1) the Indiana National Guard; (2) the Ready Reserve; or (3) a reserve component of the armed forces of the United States; may receive for military training or other duties as a member of a reserve component. The bill entitles a state officer or employee under certain circumstances to be restored to the person's previous or a similar position with the same status and pay after the leave of absence. The bill also provides that the child of a person who is ordered to active duty is entitled to military family leave.

Effective Date: July 1, 2008.

Explanation of State Expenditures: *Paid Leave for State Employees:* The provisions of this bill will extend the paid temporary leave of absence granted to state employees serving in the Reserves or National Guard for training duties from 15 to 30 days. The bill stipulates that this leave will not affect an employee's vacation time. The total increase in paid leave offered to state employees can be up to 15 days per individual that takes leave. Extending the paid leave of absence should not increase state expenditures, but rather could decrease productivity in agencies that employ individuals that serve in the Reserves or National Guard.

There are an estimated 100 state employees that are members of a National Guard or Reserve component. These individuals would be entitled to the additional 15 days of paid leave under the legislation. Extending paid leave to state employees that serve in either a National Guard or Reserve unit will result in paid wages of \$2,260 for each individual that elects to use the entire increase in leave. The number of individuals that will utilize the full unpaid leave option is unknown. The maximum value of anticipated wages for the increase in paid leave of absence is calculated at \$226,000.

(Revised) *Unpaid Leave for Children of Active Duty Personnel*: This bill could result in indeterminable productivity losses in both state and local government agencies, which might occur from current staff having to absorb the temporary workload changes or the productivity losses which might occur when an employee takes unpaid leave. However, any impact on productivity will likely be small.

The impact will most likely be small because this bill will affect a very small subset of individuals; employed children of majority age of active duty soldiers. This subset is the working age children of non-retired soldiers that are still eligible for active duty. This implies that the children of soldiers called to active duty are old enough to work (age 16 and above) and that their parent(s) are still eligible for active duty.

Background Information- The bill requires an employer who employs at least 50 employees for each working day during at least 20 calendar workweeks to allow employees that are considered children of a person called to active duty to take military family leave.

Currently, there are approximately 17,000 active-duty U.S. armed forces who claim Indiana as their state of residence. This number is reflective of all services in the Department of Defense. There are an additional 14,000 Guardsmen in Indiana and 4,000 Reservists who have the ability to be mobilized by the Department of Defense upon request. Of this Guardsman and Reservist population, there are currently 1,505 total mobilizations for the Indiana Army and Air National Guard with a recent announcement of approximately 3,400 Indiana National Guard soldiers from the 76th Infantry Brigade receiving orders for mobilization to Iraq effective in 2008. Of these soldiers, it was indeterminable how many children they had and if these children were within the age of majority control.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected:

Information Sources: Dwight Dorsey, Indiana State Personnel Department; U.S. Census Bureau; U.S. Defense Manpower Data Center; Captain John Stamm, Indiana National Guard; Tom Applegate, Director Indiana Veterans' Affairs.

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